"If you can keep your head when all about you are losing theirs … [then] yours is the Earth and everything that's in it." Rudyard Kipling

THE RESULTS in Thai Baht, reviewed by Ernst & Young, as well as US Dollars, certified by Baker Tilly, show you the latest financial position of the Company. The net profit before tax and minority interest for Q1, 2010 was USD 16.11 million which compares with the net profit of USD 25.56 million in Q1 2009 and these results were achieved from an average of just 22 ships when compared with the previous periods 42 ships. The earnings per day per ship during Q1 2010 were USD 12,425, slightly lower than our prediction of USD 12,500 for the year. When compared with the USD 14,485 in Q1 2009 it showed a decline of about 14%. The average operating expenses per day per ship were USD 4,963 in Q1 2010 higher than our prediction of USD 4,750 for the year but we hope to close the year with the figure closer to our prediction. When compared to USD 5,284 in Q1 2009 (including depreciation/amortisation of the Drydocking/Special Survey expenses in both periods) it shows a drop of 6% in operating costs. The earnings per share (eps) in Thai Baht for this quarter are 0.37 Baht per share.

THE HARD FACTS	Q1, 2009	Q1, 2010
Highest Earnings per day per ship in USD	33,250	23,909
Average Earnings per day per ship in USD	14,485	12,425
Operating cost per day per ship in USD	5,284	4,963
EBITDA in million USD	32.03	11.67
Net Profit/(Loss) in million USD (before tax and minority interest)	25.56	16.11
Net Profit/(Loss) in million USD	24.36	15.28
Earnings Per Share in Thai Baht	0.81	0.37

PROSPECTS over the next 12 months look poor for our Industry especially if one were to examine the macro environment.

According to the WTO, world trade contracted by 12.2% for 2009, the biggest fall in 70 years; however, it was expected to grow by 9.5% for 2010 but would still require another year before it returned to its peak level last seen in 2008. According to latest statistics from China's National Statistics Bureau Chinese annualized steel production for 2010 looks set to reach 617 MMT or about 9% higher than the 566 MMT produced in 2009. China Iron Ore imports grew to 173 MMT in Q1 2010 for an annualized total of 692 MMT or about 10% higher than the 628 MMT imported in 2009. Chinese Coal imports in Q1 2010 reached 40.7 MMT for an annualized total of 163 MMT or about 36% higher than the 120 MMT imported in 2009.

Looking at how the bulker fleet has developed over the last decade is quite instructive. Up to and including 2004 the fleet grew by 2.7% per annum. Between

2004 and 2009 the fleet then grew by 6.7% per annum. The year 2009 witnessed a growth of just under 10% to reach 478.6 million DWT despite a slippage of about 41% by DWT and 47% by number of ships on the new building front. 128.7 million DWT of new ships, or about a 27% increase, is expected for the year 2010. Even allowing for a slippage factor of about 50%, and a reduction of say 14 million DWT due to scrapping, we would still end up with a minimum of 50 million DWT of additional ships during 2010 for an increase of just over 10% of the existing supply. The supply side figure for the end of Q1 2010 reached 494.7 million DWT for a 3.35% increase or an annualized increase of 13.4%. Compared to the scary headline gross expected increase of 27% the net expected increase of 10 to 14%, though very high by historical standards, still seems like a much more acceptable number. But to absorb that increase in supply will be the real challenge, and that I am afraid, is something that we do not believe the demand side will be able to achieve despite all the good news from China in the previous paragraph.

LONG TERM VERSUS SHORT TERM CHARTERS: As can be seen, our forward four year (2010 to 2013) rolling book as at the end of Q1 2010 is at the 48% level with a visible revenue stream of USD 269 million. When freight rates move in an upward direction, as the BDI had done till the end of May 2008, we effectively locked in rates by putting away the spot ships for longer term charters at healthy rates. This policy was very successfully employed over the last few years and allowed us to ride out the volatile nature of the spot market with relative ease.

Year	2010	2011	2012	2013
Total Available Days	8,019	9,716	11,995	14,421
Fixed T/C Days	6,715	4,348	4,012	3,984
%age Fixed T/C Days	84%	45%	33%	28%
Av. T/C Rate/Day in USD	11,794	14,685	15,703	15,868
Contract value in USD	$79m	$64m	$63m	$63m

As the BDI remains at fairly low levels we will have to wait out the current low period before reemploying this strategy in the future when the BDI starts to move in an upward direction. Till such time you should expect the fixed proportion of our time charter days to continue to decline.

Now that we have sold and physically handed over our 25 oldest ships the ‘total available days’ row will keep on increasing as second hand ship purchases take place in the future. The figures in the above table do not assume any further second hand purchases as replacements barring the 18 brand new ships that we have already contracted at ABG, the 3 firm Cement Ships also contracted at ABG, and the 2 second hand purchases that we have made thus far in replacement of the 25 ‘sold’ ships. As you may be aware, the Cement ships have been pre-committed for minimum 15 to maximum 25 year time charter contracts to an existing client at, what we think, are extremely attractive rates for us as well as our client.

The Fleet Rejuvenation Plan started with the purchase of the Rojarek Naree (29,870 DWT built in 2005 in Japan purchased for USD 22.15 million and fixed for min 25 months to max 28 months with an EBITDA realization of USD 7 million.) It continued with the purchase of the Nalinee Naree (31,700 DWT built in Japan in 2005), that joined our fleet on the 12th April 2010 when she immediately commenced employment under a time charter lasting till minimum September 2014 with one of our clients under an existing contract which allowed for a ship substitution. The ship that was performing that contract has since been sold and Nalinee Naree has taken her place. Nalinee Naree was purchased for USD 23.75 million and this time charter contract will result in an EBITDA of about USD 19.25 million over the charter period till September 2014. Please keep in mind that this existing time charter contract had been signed at the peak of the bull market in the middle of 2008. Should the price of similar ships as the Rojarek and the Nalinee Naree remain at our purchase price levels, then we would add another 23 ships to our fleet. Currently the value of these ships has increased by around USD 4 to USD 5 million per ship. We will report to you in our next few news letters the progress that is being made in this matter.

Dividends: Dividends were paid out for each of the four quarters for the years 2007, 2008 and 2009. Cash flows and profitability permitting, we hope to maintain the same tempo in the years to come but of course in line with the earnings we generate.

The next SET Opportunity Day will be held at the SET building at 1045 hours on the 10th May 2010 where we will be presenting our Q1 2010 results. This event is normally very well attended with between 70 and 100 participants from the analysts, fund management and investor communities. We hope that many of you will attend this event where we will thoroughly discuss the current results.

SHIP SCRAPPING: Based on Clarkson figures, the 2009 scrapping figures were the highest in a decade with about 32 million DWT consisting of 246 dry bulk ships, 188 tankers and 180 container ships being scrapped with an average age of 29 years. Just for comparison purposes, 2008 saw the scrapping of only 377 ships with a capacity of 13.2 million DWT, with an average age of 30.5 years with most of them leaving in the last quarter of 2008 when the Global Financial crisis was at its peak. In Q1 2010, 39 ships in our sector were removed whilst a total of just 31 ships were added resulting in the fleet shrinking from 3,126 ships at the beginning of the year to 3,118 by the end of Q1 or a net decrease of 0.26% in the world fleet in our sector. If the freight markets continue at their current levels, we expect the world fleet in our sector to continue to decrease. This is the best piece of news for ship-owners faced with a massive new building order book looming on the dry bulk horizon.

Sincerely,

Khalid Hashim